

MONTANA STATE AUDITOR  
**MONICA LINDEEN**

Protecting Montana's consumers through insurance and securities regulation

**BUSINESS & LABOR**

EXHIBIT NO. 1  
DATE 1-22-09  
BILL NO. SB 176

DATE: January 22, 2009

TO: Senator Joe Balyeat, Chairman  
Senate Business, Labor, and Economic Affairs Committee

FROM: Monica Lindeen, Montana State Auditor

RE: Senate Bill 176

Thank you for your questions about how SB 176 may affect uniform producer licensing.

In 1999, Congress enacted the Gramm-Leach-Bliley Act (GLBA), which called on states to enact laws that would allow insurance agents licensed in their home state to easily obtain a non-resident license in another state. The National Association of Insurance Commissioners certify states reciprocity in producer licensing and is in the process of setting up certification for uniformity of producer licensing, as well.

These licensing efforts work through agreements between states and are not controlled by a federal entity, which allows states to streamline licensing efforts without compromising the accountability to state legislators. There is not a readily available opinion on this specific topic from the NAIC--it would require more research.

However, this information may not be necessary, as the State Auditor's Office would support the concept of amending SB 176 proposed by Jacqueline Lenmark to allow surety-only producers who issue bail bonds to complete 5 credit hours of approved insurance continuing education, similar to limited lines credit insurance licensees.

If such an amendment were drafted by Jacqueline Lenmark, the State Auditor's Office would be willing to review and sign-off on the amendment language.

Finally, we reiterate our commitment to working with the Bail Bondsmen's Association on insurance continuing education coursework that would best further their profession.